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In The

Supreme Court of the United States

October Term, 1992

CENTURY LIFE OF AMERICA,

Petitioner,

vs.

CENTURY 21 REAL ESTATE CORPORATION,

Respondent.

Petition For Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

REPLY BRIEF

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INTRODUCTION

In its brief in opposition to Century Life of America's Petition for Writ of Certiorari, Century 21 Real Estate Corporation admitted that the Federal Circuit did not reverse any of the Board's findings of fact. According to Century 21 Real Estate Corporation, the Federal Circuit merely found that the Board applied erroneous legal standards in evaluating the relevant *du Pont* factors.

This statement is clearly erroneous. As set forth in detail in Century Life of America's Petition for Writ of Certiorari, the Board made central findings of fact with respect to the different commercial impressions created by the marks, the fame of the mark *CENTURY 21*, the channels of trade and third-party use. The Board's factual findings were specifically improperly reversed or ignored by the Federal Circuit. Since these core findings of fact were not held to be clearly erroneous, they should have been adopted by the Federal Circuit.

Century 21 Real Estate Corporation's admission that the Federal Circuit did not hold any of the Board's findings of fact to be clearly erroneous squarely underlines the inherent danger of the Federal Circuit's de novo treatment of the issue of likelihood of confusion as a matter of law. It further underscores the need for resolution of the conflict concerning the proper standard of review in favor of the majority practice of treating the conclusion of likelihood of confusion as a fact.

I.

ARGUMENT

A. The Federal Circuit's Reversal Of The Trademark Trial & Appeal Board's Finding Of No Likelihood Of Confusion Was Based Upon Its Substituted Findings Of Facts Concerning The Relevant Du Pont Factors Which Is A Clear Violation Of Rule 52(a)

In determining the issue of confusion between the marks *CENTURY LIFE OF AMERICA* and *CENTURY 21*, both the Trademark Trial and Appeal Board and the Federal Circuit

began with an analysis of the first *du Pont* factor by comparing the marks as to appearance, sound and commercial impression. *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). Importantly, both the Board's and the Federal Circuit's analysis of the other relevant *du Pont* factors was guided by their respective findings of fact concerning the commercial impressions created by the marks *CENTURY LIFE OF AMERICA* and *CENTURY 21*.

First, the Board found that the mark *CENTURY LIFE OF AMERICA*, with its dominant element "Century", suggests "something that has been around a long time, is established, and, in effect, reflects the past." (19a-20a)

Next, the Board found that "Century" was *not* dominant in Opposer's mark and that "21" was just as significant as "Century" in the mark *CENTURY 21*. This led to the Board's finding of fact that the mark *CENTURY 21* when viewed as a whole, created the commercial impression of innovation and the future.

The Board's analysis of the remaining *du Pont* factors was directly affected by its determination that the marks created substantially different commercial impressions. This is evidenced by the fact that after determining that the marks in issue conveyed substantially different commercial impressions, the Board concluded that confusion is not likely to result from the contemporaneous use of the Opposer's and Applicant's marks even for substantially identical services. (20a)

In prior cases, the Federal Circuit has held that the first *du Pont* factor, concerning the dissimilarity as to appearance, sound and commercial impression of the marks, can outweigh all other factors when determining the issue of confusion. *Kellogg Company v. Pack'em Enterprises*, 951 F.2d 330, 21 USPQ2d 1142 (Fed.Cir. 1991).

The Federal Circuit did not even comment upon the Board's findings of fact with respect to the different commercial impressions created by the marks. Instead, the Federal Circuit based its analysis upon its own substituted finding of fact that the word "Century" is central to both parties' marks

because it is the lead word.[1] The Federal Circuit then found that a proper weighing of other evidence concerning the similarity of the marks viewed through the lens of the other *du Pont* factors, tends to magnify the likelihood of consumer confusion. Thus, the Federal Circuit concluded that the use of *similar* marks on similar services accentuates the likelihood of consumer confusion.

The Federal Circuit's failure to adopt the Board's core findings of fact with respect to the different commercial impressions created by the marks constitutes a flagrant violation of Rule 52(a) of the Federal Rules of Civil Procedure. *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 465 U.S. 844, 855 (1982). This Court in *Ives* held that findings of fact cannot be set aside by a reviewing court unless they are found to be "clearly erroneous". In this case, it is evident that the Federal Circuit ignored the Board's central findings of fact because it would have decided this case differently. This violation of Rule 52(a) served as the cornerstone for the reversal of the Trademark Trial & Appeal Board's finding of no likelihood of confusion.

B. In Reversing The Trademark Trial & Appeal Board's Finding Of No Likelihood Of Confusion, The Federal Circuit Ignored The Board's Findings Of Fact That The Fame Of The Mark CENTURY 21 Accrued To The Mark As A Whole, Which Is A Clear Violation Of Rule 52(a) Of The Federal Rules Of Civil Procedure

On pages 11 and 12 of its opposing memorandum, Century 21 Real Estate Corporation states that the Federal Circuit

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[1] The respondent relys on three federal court decisions to support the premise that "Century" is dominant in the mark *CENTURY 21*. *Century 21 Real Estate Corp. v. Sandlin*, 846 F.2d 1175 (9th Cir. 1988); *Century 21 Real Estate Corp. v. Century Resorts Int'l, Inc.*, 211 USPQ 227, 231 (N.D. Ill. 1981); *Century 21 Real Estate Corp. v. Magee*, 19 USPQ2d 1530, 1534 (C.D. Cal. 1991).

However, the Board considered the first two *Century 21* cases when reaching its conclusion and held that the record before it clearly "demonstrat[ed] that the '21' has equal significance in the mark as the word 'Century' ". Moreover, each of the above-referenced cases is distinguishable from the present situation.

reversed the Board's decision because the Board erred as a matter of law in holding that "the fame of the mark CENTURY 21 weighed against a likelihood of confusion".

First, Century 21 Real Estate Corporation states that the Board "correctly found that the mark CENTURY 21 is famous". This statement is misleading because it is only a half truth. In reviewing the issue of the fame of the mark CENTURY 21, the Board made two crucial findings of fact with respect to the mark CENTURY 21. Neither of these findings of fact were found to be clearly erroneous. Accordingly, they should have been adopted by the Federal Circuit. *Ives* supra, 465 US at 855.

First, the Board held that the mark CENTURY 21 is famous only for real estate services and not for insurance services. The Board also held that the fame of the mark accrues to the entire mark CENTURY 21 and not just the word "Century". The fact that the fame of the mark accrues to the mark CENTURY 21 as a whole, supported the Board's conclusion that consumers used to seeing the mark CENTURY 21 as a unitary term would be able to distinguish the mark CENTURY 21 from CENTURY LIFE OF AMERICA.

Importantly, none of the cases relied upon by the Federal Circuit or the Respondent in this case have held that a famous mark can preclude the registration of a mark which is substantially different in appearance, sound and commercial impression. Such a result could lead to a monopoly of a commonly used word just because it is part of a famous unitary mark. This is in direct conflict with the precedent of this Court and the spirit of the Lanham Act.

C. In Reversing The Trademark Trial & Appeal Board's Finding Of No Likelihood Of Confusion, The Federal Circuit Ignored The Board's Findings Of Fact With Respect To Evidence Of Third Party Listings And Advertisements For Insurance Services And Related Financial Services

In its opposing memorandum, Century 21 Real Estate Corporation also contends that the Federal Circuit held that the Board misapplied the law concerning third-party use

because third-party registrations, telephone directory listings and the like have no probative value on the issue of likelihood of confusion.

Importantly, the Federal Circuit in this case did not hold that the Board erred in relying on the telephone directory listings, advertisements or survey as evidence of third-party use. Instead, the Federal Circuit somehow erroneously interpreted the record to include a "paucity" of service marks containing "Century" in their names for insurance and related services. The record below contained substantial evidence of third-party uses of the name "Century" found in over 2000 telephone directory listings and 183 advertisements, which were current at the time these proceedings were initiated. Moreover, the record also included evidence that a Century Life of America representative called 100 "Century" businesses and 93 businesses indicated they used the name "Century". (21a). In fact, out of 183 advertisements, included within the record, 37 companies using the name "Century" provided insurance or related financial services. Further, out of the 2,100 listings in the telephone directory, 204 companies used the word "Century" in their name for such services.

The type and amount of evidence of third-party use of record in this case is similar to evidence of third-party use found in *Sun Banks of Florida, Inc. v. Sun Federal Savings & Loan Assn.*, 651 F.2d 316, 211 USPQ 844 (5th Cir. 1981) and *Steve's Ice Cream v. Steve's Famous Hotdogs*, 3 USPQ2d 1477, 1479 (TTAB 1987). In *Sun Banks*, the Fifth Circuit held that there was no confusion between the service marks, in the presence of substantial evidence of third-party use which revealed that out of the 4,400 listings of businesses registered with the Secretary of State, there were 25 active financial businesses, employing the word "Sun", and 50 active financial businesses, employing a compound of the word "Sun".

Similarly, in *Steve's Ice Cream* supra, 3 USPQ2d at 1477, the Board found that there was no likelihood of confusion between the marks in view of evidence of 226 businesses which were obtained from *phone directories*.

In this case, the Board recognized that when confronted with overwhelming evidence of third-party use of the name

"Century", it could infer that consumers would not regard "Century" as such an unusual term in a trade name or mark that they would expect all companies with "Century" in their names to be related or all products or services with "Century" in their marks to emanate from a single source.

Moreover, as repeatedly mentioned by Century 21 Real Estate Corporation in its opposing memorandum, Century Life of America hired Opinion Research Corporation to conduct a study of the meaning of several proposed corporate names including the word "Century".[2] As noted by the Board, this survey included an open-ended question which, in effect, asked respondents to identify any companies that use the word "Century" in their name. Interestingly, a third-party "CENTURY INSURANCE" was mentioned as one of the main companies consumers thought of when confronted with the word "Century". This fact further supports the Board's finding that the evidence of record shows that the public has been exposed to references to "Century" in both trade names and marks.

D. In Reversing The Trademark Trial & Appeal Board's Finding Of No Likelihood Of Confusion, The Federal Circuit Ignored The Board's Findings Of Fact With Respect To The Different Channels Of Trade Which Constitutes A Violation Of Rule 52(a)

After examining all of the evidence of record, the Board made a "factual determination" that Century 21 Real Estate Corporation's insurance services are provided only by its real estate franchisees and its scenario of independent brokers

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[2] It is noted that in the survey, respondents were asked "what ideas or impressions does the word Century suggest to you when used in a company name?" While the impression most often communicated by the word is the image of "old/established/been around for a long time" (78% of the responses), 17% of the responses were for real estate or Century 21 Real Estate Corporation. Given respondent's substantial advertising and promotion of the mark *CENTURY 21* for real estate services, this number is unremarkable.

handling both companies' insurance products is not supported by the record. (23a). Thus, the Board concluded that the extent of potential confusion is de minimus. This finding is in accord with the Federal Circuit decisions which have held that the Court is not concerned with mere theoretical possibilities of confusion or with de minimus situations, but with the practicalities of the commercial world, with which the trademark law deals. *Electronic Design and Sales v. Electronic Systems*, 954 F.2d 713, 21 USPQ2d 1388 (Fed. Cir. 1992); *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973).

In this case, the Federal Circuit ignored the Board's findings of fact and compared the parties' respective channels of trade to a "supermarket". Such a comparison ignores the realities of the marketplace. A supermarket provides a wide variety of inexpensive products. The services provided under the parties' respective marks in this case are clearly distinguishable from inexpensive grocery items. The insurance services offered by the parties' respective franchisees and agents are intended to be the cornerstone of their purchaser's financial security. It was proper for the Board to take this fact into consideration when analyzing the channels of trade as they really exist.

E. The Federal Circuit Erred When It Held That The Board Had Doubt As To The Confusion Between The Mark CENTURY LIFE OF AMERICA And CENTURY 21

Century 21 Real Estate Corporation also contends that the Federal Circuit correctly held that the Board applied an erroneous legal standard by failing to resolve doubt as to confusion in favor of the prior user and registrant.

Although on page 25a the Board states that this case has been "very difficult to resolve", it went on to explain that the "Opposer, in particular, has vigorously argued its case, citing portions of the record and various principles of trademark law which, superficially, would militate towards sustaining the opposition. However, determinations of likelihood of confusion cannot be made on a formalistic application of trademark

principles. Upon a close examination of the entire record and in consideration of all applicable *du Pont* factors in light of that record, we are *convinced* that confusion is not likely." (emphasis added.)

When reviewing the Board's statement in the context it was made, it is clear that the Trademark Trial & Appeal Board did not have any doubts with respect to the lack of confusion between the marks CENTURY LIFE OF AMERICA and CENTURY 21.

II.

A. This Petition Should Be Granted Because It Involves A Conflict Among The Circuits Concerning The Proper Standard Of Review Of The Issue Of Likelihood Of Confusion

In its Opposing Memorandum, Century 21 Real Estate Corporation alleges that Petitioner does not have the right to raise the issue of the reoccurring conflict among the circuits concerning the proper standard of review of the issue of likelihood of confusion between trademarks.

This argument ignores Supreme Court Rule 10 which provides, in part, that a petition for writ of certiorari may be granted to resolve conflicts between United States Courts of Appeals. This Court has recognized the fundamental importance of a uniform application of federal law.

Despite Century 21 Real Estate Corporation's assertions to the contrary, Justice White has acknowledged the conflict in at least three cases since 1982. *Elby's Big Boy, Inc. v. Frisch's Restaurants, Inc.*, 459 U.S. 916 (1982); *Euroquilt, Inc. v. Scandia Down Corp.*, 475 U.S. 1147 (1986); *Enco Mfg. Co. v. Plant Manufacturing Company*, 493 U.S. 872 (1989).

The Supreme Court is the only Court that can resolve the conflict among the Circuits. Further, the Federal Circuits' repeated disregard for the Board's factual determination underscores the need for a Supreme Court holding that the issue of likelihood of confusion should only be reviewable as fact under the clearly erroneous standard. The resolution of this issue is crucial to establishing a uniform body of law

which will have a wide impact in the extremely active and commercially important area of trademark law.

III.

A. This Petition Should Be Granted Because Evidence Of Widespread Use Of A Mark On Related And Unrelated Services Is Relevant To The Issue Of Confusion

Overwhelming evidence of third-party use of a mark in connection with related and unrelated services establishes that a particular word is commonly used to portray its dictionary meaning. It follows that if a mark, even a famous mark, includes a commonly used word, that portion of the mark when used alone is relatively weak. It is respectfully submitted that evidence of over 2,000 listings in contemporary municipal telephone directories and 183 newspaper advertisements constitutes overwhelming evidence that the word "Century" is commonly used to convey its dictionary meaning. *In re Bed & Breakfast Registry,* 791 F.2d 157, 161, 229 USPQ 818 (Fed.Cir. 1986).

Clearly, any person desiring to look up the name of a company using the word "Century" alone or in combination with any other words or phrases in the municipal telephone directory, would be exposed to several pages of "Century" names. Similarly, anyone reading a newspaper containing an advertisement of a business employing the word "Century" in its name would be exposed to that use of the word "Century".

To pretend that such evidence does not exist or that members of the public would not be exposed to telephone listings or advertisements is to ignore the realities of the marketplace. Thus, the Supreme Court should grant this Petition to give guidance with respect to the relevance of such third-party evidence.

IV.

A. This Petition Should Be Granted Because There Is A Conflict Between The Federal Circuit Cases Concerning The Scope OF Protection Of A Famous Mark

This case involves an important question concerning the propriety of a panel of the Federal Circuit overturning a prior decision of that Court. A three-member panel in *Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.*, 963 F.2d 350 (Fed.Cir.), cert. denied, 61 U.S.L.W. (1992) effectively overruled the Federal Circuit in *B.V.D. Licensing v. Body Action Design*, 846 F.2d 727, 6 USPQ2d 1719, 1720 (Fed.Cir. 1988).

In its opposing memorandum, Century 21 Real Estate Corporation notes that this Court has declined to grant a Petition for Certiorari in the *Kenner Parker* case. Importantly, the petition in the *Kenner Parker* case did not raise the issue of the propriety of a panel of the Federal Circuit overturning the *B.V.D.* decision. Thus, the fact that this Court has declined to grant a Petition for Certiorari in that case is irrelevant.

CONCLUSION

In view of the foregoing reasons and the reasons set forth in the petition, it is hereby requested that Century Life of America's Petition for Writ of Certiorari be granted.

Respectfully submitted,

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